Weekly Economic Review

Earnings remain soft despite uptick

Average Weekly Earnings

Earnings edge up in November

Average weekly earnings (AWE) increased in November following three consecutive monthly declines. AWE ticked up 0.8% month-over-month (m/m) to $1,114. For the first time since June 2016, earnings in both the goods and service sectors improved in the same month, led by construction (+2.2% m/m), manufacturing (+3.9% m/m), and arts, entertainment and recreation (+11.4% m/m). Despite the monthly increase, earnings were down 2.5% year-to-date (YTD), dragged down by lower pay in the service sector (-2.2%). Meanwhile, AWE in the goods sector held up (+0.1% YTD) supported by a strong increase in mining and oil and gas extraction (+4.7% YTD). Despite the weakness, overall earnings in Alberta remain the highest in the country but the gap is narrowing. Alberta's AWE is currently sitting at $154 above the Canadian average (Chart 1).

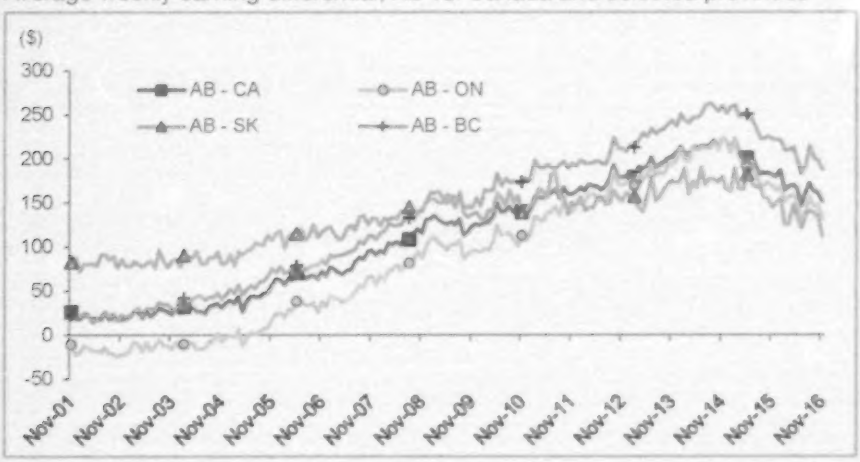
Job Vacancies

Job vacancies remain scarce

The number of job vacancies declined in October and remained near the low level set in July 2016. Job vacancies averaged 26,400 from September to November, a decrease of 1,200 over the period June to August. There are currently 7.5 unemployed Albertan's for every one job opening in the province, higher than the Canadian rate of 5.8. Nationally, job vacancies continued to rise reflecting strong increases in Ontario and BC.

Chart 1: Gap in AWE lessens between AB and rest of the country

Average weekly earning differential, AB vs. Canada and selected provinces



Source: Statistics Canada

Investment in New Housing Construction

Investment continues to slide

The slowdown in housing activity continues to weigh on residential investment. Investment in new housing construction fell 25% year-over-year (y/y) to $627 million in November, reflecting broad-based weakness across categories. The main contributor was the decline in investment in new apartments (-41% y/y) which posted the largest drop in over six years due in large part to rising rental supply. On the other hand, weakness in single dwellings (-16% y/y) and double dwellings (-0.3% y/y) have eased considerably after falling by more than 30% earlier this year.

Wholesale Trade

Wholesale trade picks up

An improvement in activity in the province has lifted wholesale trade. It improved for the second straight month in November, up 0.8% m/m to $6.2 billion. The increase largely reflected gains in farm products (+7% m/m) and food, beverage and tobacco (+4.9% m/m). On a year-over-year basis, wholesale trade fell 3.3% although the pace of decline has eased significantly, most notably for building material and supplies (-9.9% y/y) and machinery, equipment, and supplies (-0.2% y/y) which saw double-digit decreases through most of the year. At the national level, sales were up 0.2% m/m as sales rose in six provinces led by Saskatchewan and Newfoundland and Labrador.

Contact

Kathleen Macaspac 780.427.8841

Please see the *Alberta Economy- Indicators at a Glance* for a snapshot of Alberta indicators.